

Municipal Issue Report

Business License Update, Report No. 2008-4

The following is a **Municipal Issue Report** from Cunningham, Vogel & Rost, P.C. relating to recent legislation affecting municipalities.

New Business License Requirement

Cities and counties should be aware of new requirements placed by SB30, taking effect on January 1, 2009, that amends Sections 144.083.2 and 144.083.4 to now require a City to possess a statement from the Missouri Department of Revenue showing that no taxes are due by the licensee before a City license may be issued.

Requirement of City or County to Possess Statement of No Tax Due

Specifically, the new requirements of Sections 144.083.2 and 144.083.4 read as follows: “beginning January 1, 2009, the **possession of a statement** from the department of revenue stating no tax is due under sections 143.191 to 143.265, RSMo, or sections 144.010 to 144.510 **shall also be a prerequisite to the issuance or renewal of any city or county occupation license** or any state license required for conducting any business where goods are sold at retail. The statement of no tax due shall be dated **no longer than ninety days** before the date of submission for application or renewal of the city or county license.” (emphasis added)

Action Needed:

The changes to Sections 144.083.2 and 144.083.4 require only the possession by a City of a statement of no tax due before issuing or renewing a business license. There appears to be no affirmative obligation to obtain the “no tax due” statement for the licensee, only that no license be issued if the City does not have one. Therefore, Cities may be able to place the burden of acquiring a statement of no tax due on licensee applicants by alerting the applicant of the statutory obligation on the license application or elsewhere. Alternatively, the City may, but is not necessarily required to, obtain the statement for the applicant.

Where to obtain the “no tax due” statement:

The Missouri Department of Revenue is implementing an on-line system for Cities to access the Department’s tax system to determine if a potential licensee has no tax due. To access the system, political subdivisions must complete Form 4379A. The information obtained from the on-line system is subject to the confidentiality requirements of Section 32.057. The Missouri Department of Revenue website location may be accessed at: <http://dor.mo.gov/tax/business/sales/notaxdue/>.

Business owners may also access the on-line system and acquire a statement of no tax due to provide to a political subdivision. A business owner may access the on-line system by entering their Missouri tax identification number and pin number (located on their sales tax return or voucher).

This summary is not exhaustive and is intended only as an outline of the significant provisions. **Bolded items have been provided to highlight specific areas where municipal action may be required.** Each municipality should contact their legal counsel to ensure the requirements are met for their individual circumstances.

Further questions may be directed to:

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